

## WEEKLY MARKET REPORT

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16<sup>th</sup> July 2021

### Bulk report – Week 28

#### Capesize

The Capesize market endured a week of eroding value across all regions as the 5TC lowered \$2,430 week on week to settle at \$28,572. While the Pacific's West Australia to Qingdao C5 route closed out Friday up 25 cents to \$10,841, appetite from major charterers in the spot market on this route have appeared tepid of late. Activity to the east of Australia for coal cargoes to Northern Asia remains strong while those coal cargoes destined for Europe, admittedly not so frequent, have been required to pay up for the longer duration backhaul route. Brazil this week was heard to have come under sustained pressure as major charterer Vale was heard early on in the week taking numerous vessels as value had ebbed away. Brazil to China C3 lowered \$1.89 over the week to settle at \$24,985. Further north in the Atlantic activity has been sparse. The Transatlantic C8 remains the premium earning region at \$32,188 but those levels seem unattainable for the tonnage located there while a solid influx of cargo in the coming week will be required to keep it from slipping away.

#### Panamax

A week of declines for the Panamax market in all basins as the gains seen in recent weeks began to erode. In the Atlantic Basin there were one or two bright spots namely the grains run ex North France to China and Black Sea demand that ultimately never wavered. However, tonnage and ballaster build up negatively impacted rates overall with several APS load port fixtures reported, an 81,500-dwt agreeing \$40,000+\$465,000 delivery APS US East coast for a trip back to Skaw-Gibraltar. Rates in Asia yielded similar losses with a notable lack of demand from both NoPac and Australia, an 82,000-dwt delivery South Korea fixed at \$28,000 for a trip via NoPac redelivery China with grains. Whilst coal demand from Indonesia proved to be well supported, this had little impact in rates with tonnage building in southeast Asia compounded somewhat by a weak EC South American market as well.

#### Ultramax/Supramax

A lacklustre week with limited fresh enquiry and lengthening tonnage lists in many areas. Limited period activity was recorded with both sides watching for any clear direction, but a 63,000-dwt open China was fixed for four to six months trading at \$36,000. Despite rates remaining relatively firm from the east Mediterranean generally other areas saw slightly lowering rates. A 55,000-dwt was reported fixed delivery Gibraltar via west Mediterranean redelivery west Africa at \$39,000. Whilst an Ultramax was rumoured fixed from east coast south America for a Transatlantic run in the low \$40,000s. Asia also saw decreased activity. A 63,000-dwt open south China fixing a trip via Indonesia redelivery China at \$26,000. Whilst a 57,000-

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dwt open southeast Asia fixed a coal run via Indonesia to India at \$28,000. Limited fresh Pacific rounds, but a 57,000 open CJK fixed an Australian round at \$26,000. All eyes fixed on the upcoming week to see if there will be change in direction.

### Handysize

A week of mainly positive moves with the indices moving up a further 18 points to a new yearly high of 1669 points, this despite a general lack of activity in East, and East Coast South America seeing levels soften whilst the market awaits the batch of requirements. The US Gulf has been more active with a 36,000-dwt fixing a petcoke cargo to the Western Mediterranean at \$30,000. Also a 38,000-dwt was rumoured to have fixed a grain cargo basis Delivery APS SW Pass with Redelivery Continent-UK range at \$24,500. The Asia markets were quiet this week with brokers talking of a growing tonnage list as the week progressed, though a re-emerging logs market did offer some support. The Indian Ocean also remained firm with a 29,000-dwt fixing basis delivery Chittagong via East Coast India with redelivery southeast Asia at \$30,000.

### Tanker report – Week 28

#### VLCC

In the Middle East the market for 280,000mt to US Gulf (routing via the Cape/Cape) continues to be assessed around the WS18-18.5 mark while rates for 270,000mt to China have remained flat at WS31.5 (showing a round-trip TCE of minus \$5.6k/day). In the Atlantic, rates for 260,000mt West Africa to China improved by almost two points to WS34.5-35 level (a TCE of minus \$1.1k/day round trip) and 270,000mt US Gulf to China is still being rated at \$3.95m (a roundtrip TCE of about minus \$670/day).

#### Suezmax

In the 130,000mt Nigeria/UK Continent market rates have gained 2.5 points to WS52 (a round-trip TCE of about minus \$1.1k/day). Meanwhile in the Mediterranean rates for 135,000mt Black Sea/Med remain pegged at WS60 (a round-trip TCE of minus \$7k/day). The market for 140,000mt Basrah/Med took a 3.5 point hit this week and now sits at just shy of WS25..

#### Aframax

In the Mediterranean, the market softened with rates for 80,000mt Ceyhan/Lavera losing 4.5 points to WS88 (showing a round-trip TCE of \$1.3k/day). In Northern Europe the market remained relatively flat with the rate for 80,000mt Cross-North Sea maintaining WS93 (a round trip TCE of minus \$5.5k/day). A similar sentiment was seen in the 100,000mt Baltic/UK Continent market with rates unmoved at WS60 (a round trip TCE of minus \$1.3k/day). Across

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the Atlantic the market has improved a little, mostly due to a tightening of tonnage positions in the short term for voyages from East Coast Mexico. Rates for 70,000mt Caribbean/US Gulf are up seven points to WS85 (a round-trip TCE of minus \$1.5k/day), while the East Coast Mexico/US Gulf market gained 12 points to WS90 (a TCE of about \$850/day round trip). The market for 70,000mt US Gulf/UK Continent trips saw a three point gain to WS 72.5 (which shows a TCE of about minus \$2.2k basis a roundtrip, turning positive basis single trip economics).

### Clean

The clean market continues to lack direction this week though there were some positive moves in the East and as a result the BCTI rose from 445 points to 464 by publication. The Middle East was slightly positive with LR2s to Japan (TC1) rising by over 13 WS points to 88.33, a TCE of \$3,868. There have been a number of LR2 fixtures this week at improving numbers from WS80 to NAVIG8 PROVIDENCE (110 kdw / 2018) placed on subjects for AG/Japan at WS90. The LR1s from MEG to Japan gaining 11 points to WS90 and a TCE of \$2,233, and MEG to UK-Cont largely flat at \$/t 20.63. LR1s were otherwise flat with no change on TC16 Amsterdam to offshore Lome at WS80.

The MR Atlantic basket TCE fell from \$5,620 to \$4,696, the Pacific MR TCE was weaker at \$471 to close the week slightly up at \$682. In the Atlantic the Rotterdam to New York TC2 37k route was down 1.11 to settle at WS 114.17, and the US Gulf to Continent TC14 38k route was down 1.79 to WS 79.64. Following falls on TC18 for 35k from US Gulf to Brazil from WS121 to WS118 and on TC19 37k Amsterdam to Lagos, also from WS121 to WS118 the best paying MR routes were both in the Pacific. TC7 35k Singapore to East Coast Australia at WS119.86 which has a TCE of \$2,069 and the TC10 40k route from South Korea to Vancouver-Rosarito at \$/t 19.48 which returns a TCE of \$2,741.